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Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES



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HPAO'S REPORT ON THE

AWARD AND OPERATION OF E.O.T.C.'S

DISPARITY STUDY CONTRACT

March, 1994

942 / 291

Summary of Findings

- EOTC's performance on the design of the RFP, the selection process, and oversight of the Disparity Study Contract was poor. The entire process gave every indication of being tainted with favoritism.
- EOTC failed to provide any coherent and defensible rationale for the selection of the Disparity Study contractor.
- The House Post Audit and Oversight Bureau's review indicated cost overruns of \$53,524. The contractor submitted a revised budget that would increase project costs to \$743,121, a 24% increase over the initial budget.
- The lack of "hands-on" oversight of this process led to substantial revisions and overruns on the contract. EOTC failed to take an aggressive role in controlling costs and dictating adherence to proposal parameters and timelines. For example, the contractor's proposed travel budget increased by 74%.
- What the contractor told EOTC it would receive during the selection process was completely different from what EOTC actually received. The contractor was allowed to freely substitute subcontractors and personnel. The project team that completed the study bore little resemblance to the project that was originally selected.

The House Post Audit and Oversight Bureau (the "Bureau") has concluded its performance review of the award and administration of the Executive Office of Transportation and Construction's ("EOTC") Disparity Study Contract. Based upon numerous hearings, sworn testimony and review of hundreds of documents, the Bureau issues the following report and findings:

1. The process by which the contract was awarded was arbitrary, flawed and tainted with favoritism. The award process gave every indication of being orchestrated to achieve a desired result. Extensive questioning of selection committee personnel failed to reveal any logical, consistent or defensible rationale for the selection of the principal contractor. The selection committee members were unable to articulate any reasonable justification to support the award to a consultant whose bid was \$240,000 more than the low bidder and who did not score first on technical merit.
2. The Bureau and the House Post Audit and Oversight Committee's (the "Committee") review of the process, documented in earlier Bureau findings, concluded that D.J. Miller's proposal was treated differently from the other proposals. D.J. Miller representatives were never questioned concerning the 4,640 hours of state employee participation on the project and were never

asked about some obvious questionable items in their proposal. Moreover, sworn testimony confirmed that D.J. Miller was the only applicant that was allowed to make an audio-visual presentation at the interview with the selection committee. Other applicants were told that no visuals would be allowed. (4/2/93 transcript, page 26). The structure of the interview required all bidders to respond to the same questions. There was no opportunity to question bidders about the specifics of their particular proposal. (4/2/93 transcript, page 27). Among the unsuccessful bidders, the feeling was that this area was so complex, that substantial time was necessary to lay out all of the specifics of their individual proposals. Some of the bidders did not have enough time to finish their presentations. (4/2/93 transcript, page 30). A representative of Black Star Associates, testified that in the debriefing, EOTC did not identify any reason why D.J. Miller was the better contractor. (4/2/93 transcript, page 34). National Economic Research Associates ("NERA"), who was another unsuccessful bidder, also confirmed that at their debriefing, it was indicated that the interview determined the award recipient. The head of the Selection Committee was not able to articulate to NERA what information was received from the interview.

3. Sworn testimony received by the Committee revealed that the principal subcontractor on the winning bidder's proposal operated a campaign office and phone bank for the Governor. The company was not paid for this campaign office and no contribution was reported. The Bureau referred this matter to the Office of Campaign Finance. This campaign office was the business office for the listed subcontractor on the winning proposal. This subcontractor, Bell Associates Incorporated ("BAI"), was later dropped from the proposal and was never paid for any work, despite the fact that D.J. Miller received a bill from BAI and submitted it to EOTC for payment. The Committee heard testimony that raised the possibility that BAI was simply used by the contractor to bolster its local connections in order to receive the contract. Once the contract was awarded to D.J. Miller, Bell Associates apparently became expendable.

4. The Bureau's review of the selection process revealed that concerns about the financial condition and tax status of the contractor were raised during the process. At one point during the process leading up to the award of the contract, D.J. Miller had failed to resolve financial issues with EOTC. The failure to

resolve some of these issues led EOTC's Chief of Staff to approach Alan Bell of Bell Associates, who was also a member of the Governor's transition team, to help resolve the problems. Sylvia Watts McKinney, who was the Chief of Staff at that time, and who had appointed the selection committee (2/25/93 transcript, page 25) at first did not recall such a meeting. During her initial testimony, the Committee recessed to entertain a motion for contempt. Ms. McKinney was then provided copies of Mr. Bell's testimony and testified a second time. At her second appearance before the Committee Ms. McKinney did recall the meeting. The discussion between Ms. McKinney and Mr. Bell concerned Mr. Bell's being asked to get D.J. Miller to resolve its financial issues because EOTC wanted to award them the contract. (7/7/93 transcript, page 18) The Bureau found no reason for EOTC's failure to assert sufficient leverage over the proposed contractor to get this problem resolved directly. If the contractor failed to respond, the easy answer would have been to deny the contractor the award of the contract. The Bureau was provided with no explanation as to why EOTC went out of its way to accommodate this particular contractor.

5. In attempting to assess the financial capacity of the award recipient, the Bureau subpoenaed the contractor for a review of

its financials. D.J. Miller refused to honor the subpoena. The Bureau was particularly troubled by this given the fact that EOTC, in sworn testimony, indicated it was only allowed to review, but not copy the financial statements of the company. Sworn testimony by Joseph Connolly, the EOTC accountant who reviewed the financials indicated that the records he reviewed did not indicate outstanding tax liens. EOTC later learned of these tax problems by other means. Additional information received by the Bureau indicated continuing unpaid tax issues including FICA, withholding and corporate income taxes during the period of the contract process. The Bureau's review also noted that the company was dissolved for a period by the Georgia Secretary of State's office for failure to file annual reports of condition (Please see Exhibit #1). The period of dissolution ran from 1/9/92 through early 1993.

6. The Bureau found substantial evidence that the interviews with EOTC were the deciding factor in determining that D.J. Miller received the contract award. The Bureau found no evidence from any of the witnesses or sources that showed that any significant information was obtained or sought during the interview. The Bureau is also concerned that if only D.J. Miller, the winning bidder, was allowed to use an audio-visual presentation at the interview, then it was clear that D.J. Miller had an unfair advantage.

- a). Lorenzo Parra, head of the selection committee testified that there was not much discussion of the merits of individual proposals by members of the selection committee. He stated that individuals had their own perceptions and it was left at that. (2/25/93 transcript, page 41).
- b). Mr. Parra also testified that the selection committee did not discuss the candidate performance in the interviews until all interviews had been completed. (2/25/93 transcript, page 45).
- c). Mr. Parra also testified that he did not know if any of the other individuals on the selection committee had any involvement with disparity studies prior to this process. (2/25/93 transcript, page 32).
- d). The Bureau also noted that two out of the four unsuccessful candidates filed protests concerning the selection procedure. (3/11/93 transcript, page 23).
- e). Marie Allen, who was also a selection committee member testified that she did not make any notes or memoranda, but simply read the proposals and scored them. (3/11/93 transcript, pages 26,27, and 32). Given that there were hundreds of pages of materials in the proposals that were submitted, the Bureau finds this astonishing.
- f). When Mr. Parra was specifically asked if Silvia McKinney appointed the selection committee he testified that Silvia McKinney organized the selection committee. McKinney

testified that she did not appoint the selection committee. (10/5/93 transcript, page 6). She reviewed the roles and responsibilities of the selection committee. The Bureau was not able to reconcile this conflicting testimony.

7. The Bureau found that EOTC's reference check that encompassed checking only the references of the winning bidder D.J. Miller, was also indicative of a poor selection process. The witness from NERA testified: "That told us that something in the process had broken down because we thought it was stated fairly clearly in the RFP, that checking of references was going to be one of the things that they were going to look at in terms of ranking people. So the fact that none of our references had been checked suggested to us at that point in time that EOTC had not followed its own RFP." (3/11/93 transcript, page 108).

David Evans of NERA also testified: "We then subsequently went in for the interview, and we were taken back that during the interview there were no questions that were considered to be substantive." (3/11/93 transcript, page 105).

8. Both the Bureau and the Committee's review of the administration of the contract revealed major changes in the actual operation.

The contract as administrated was substantially different from the project that had received the initial approval and award, specifically:

- a). The principal subcontractor, BAI did not perform any of the work despite the fact that it was slated for the bulk of the first phase of the project. D.J. Miller was supposed to pick up most of BAI's work according to the testimony received by the Committee. Mr. Bell indicated in testimony that this amount of additional work being performed by D.J. Miller would provide the potential for much greater profits for D.J. Miller.
- b). The designated Project Manager, Clara Axam performed only limited work before being assigned to other duties unrelated to the disparity study.
- c). The testimony of EOTC Project Manager, Lorenzo Parra also indicated that a number of other key players had changed. The Bureau found that what the Commonwealth paid for was far different from what it was told it was going to receive. The entire selection process and the substitution of new personnel and subcontractors resulted in substantial delays that were built into the project. These delays and the resulting changes may have hindered the Commonwealth's ability to defend ongoing litigation challenging the MBE/WBE program. The original proposal had

- established a February/March 1993 date for the final report. The Bureau found that both the EOTC and the contractor were at least partly responsible for these additional delays.
- d). Despite the fact that the contractor was supposed to have finalized all of the subcontractors by December of 1992, new subcontractors including the Trotter Institute and Jane Edmonds were not finalized until May of 1993. BAI, the principal subcontractor dropped from the project in March of 1993.
- e). The Bureau is puzzled by D.J. Miller's actions subsequent to the failure to come to terms with BAI. According to the proposal documents, BAI was supposed to be the prime source of data collection and was listed on page 29 of the proposal as the "principal in charge of data collection of the Commonwealth's purchasing history and in conducting the market survey." BAI was to be paid \$197,000 for this work. As D.J. Miller and Mr. Bell were unable to come to terms, the bulk of this work was to be absorbed by D.J. Miller and three other subcontractors. The revised cost estimate for this work was reduced to \$125,000. The Bureau is concerned by this reduction in price. If D.J. Miller was forced to do the additional work, it would have necessitated at the very minimum substantially more travel expenditures.

This raises the question of whether less work was going to be completed under the revised schedule.

- f). The Bureau's review of the contract showed significant expenditures for travel and for meetings which appeared unnecessary. The Bureau was concerned that sworn testimony indicated that some of the data collection work was performed by college students who did not appear to have any particular or specialized training on the subject.

Design of the RFP and Selection Process

Ms. Gomez of Black Star Associates, one of the unsuccessful bidders, testified that as far as she was concerned, there was no need to hire an external force to come in and write the RFP. (4/2/93 transcript, page 19). As the Bureau highlighted in its Preliminary Report "the substance of the RFP that was developed does not appear to be much more than a recapulation of what the MWRA had previously done." (November 7, 1991 letter from Eric Kriss). As the sworn testimony before the House Post Audit and Oversight Committee on November 23, 1992 and March 11, 1993 confirmed, substantial portions of the wording in the RFP supposedly written by John Flynn for EOTC were identical to the RFP previously written for MWRA. In addition, one full paragraph was actually taken out of the MWRA's disparity report according to sworn testimony of David Evans, an employee of

NERA who participated in the MWRA study. MWRA's RFP and work product was given to Lorenzo Parra and was shared with John Flynn. (2/25/93 transcript, page 23,24).

The Bureau's concerns about the RFP design and selection process remained high throughout the review. The Bureau was particularly troubled that such a sensitive, potentially expensive, and far reaching issue would be used as a vehicle for political patronage and would be treated in such a cavalier fashion by key administration officials. The design of the RFP, the selection process, and the ultimate administration of this contract for a disparity study reflect poorly on the Commonwealth. Rather than devote necessary resources and expertise toward making this project a success, the Administration ignored warnings about potential shortcomings and refused to acknowledge the existence of significant problems.

As the Bureau previously stated, the scoring of the proposals appears to have been done without any objective analysis of the stated criteria matched against particular proposals. The members of the selection committee were unable to articulate any sound reasons that buttressed their scores and offered no meaningful analysis of the grading criteria as applied to the proposals. Mr. Parra scored D.J. Miller at 78 on cost and NERA at 55 despite the fact that NERA was \$244,000 lower than Miller. At the hearing, Mr. Parra could not explain the difference in scores and had difficulty explaining

distinctions about cost. (3/30/93 transcript, pages 65,67, and 69). Mr. Parra could not explain the use of the term "overhead cost" which was used as an evaluation criteria. (3/30/93 transcript, pages 74 and 75). Mr. Parra testified that the same procedures were followed during the interview process. (2/25/93 transcript, page 83). This is directly contradicted by the testimony of both Alan Bell and Ms. Baker-Gomez that an audio-visual presentation was allowed for D.J. Miller.

Mr. Parra testified that there were no discussions of the five proposals and that each member of the selection committee selected D.J. Miller. (2/25/93 transcript, page 60).

The Bureau's review of the entire selection process coupled with the testimony and evidence concerning Bell Associates give strong circumstantial evidence that the contract was directed to D.J. Miller. The Bureau's review of the selection process found several instances where the other bidders felt the process was flawed.

As the preliminary report indicated, a protest was filed and upheld in part by the Federal Transit Authority ("FTA"). The representative from Black Star Associates testified under oath:

"So I think there were a lot of pre-conceived judgments made about the bidders. My sense is that there was - it was not an objective evaluation process, meaning the application of what the individuals actually put down on paper was not objective at all." (4/2/93 transcript, page 39). "They had already drawn the conclusion on who

they wanted to win." (4/2/93 transcript, page 40). EOTC's special treatment of D.J. Miller, the inability of the selection committee members to explain their rationale and scores, and the failure to address D.J. Miller's financial issues, all support the notion that D.J. Miller was predetermined to receive the contract award.

The Bureau also noted the following facts:

1. D.J. Miller asked Mr. Bell "for strategic purposes if Bell could identify a female attorney or law firm in town."
(7/7/93 transcript, page 9).
2. BAI, the principal subcontractor under the original proposal operated a campaign phone bank for Governor Weld at 17 Story Street, Cambridge, Massachusetts. Mr. Bell testified that he may have mentioned to D.J. Miller that he was involved in the campaign. (7/7/93 transcript, page 11).
3. D.J. Miller wanted to put together a team that would make it strategically advantageous. (7/7/93 transcript, page 12).
4. Mr. Bell responded to questioning at the hearing.
Q. Once D.J. Miller got the contract, you were expendable?
A. "Certainly that was a possibility"
(7/7/93 transcript, page 15).

5. Mr. Bell became aware of financial problems concerning D.J. Miller through a conversation with Sylvia Watts McKinney who was Chief of Staff at EOTC. (7/7/93 transcript, page 18). Mr. Bell indicated that Ms. McKinney told him "We want to award this contract to D.J. Miller. We're trying to get them to solve some of their problems. They've got some financial problems and we want them to solve them. We're having trouble getting them to work with us." (7/7/93 transcript, page 18).
6. Mr. Bell stated that D.J. Miller was allowed a slide presentation. (7/7/93 transcript, page 28).
7. Mr. Bell testified - D.J. Miller would receive a larger profit with BAI out of the picture. (7/7/93 transcript, page 34).
8. Mr. Bell also testified that he did mention his contacts with the Weld Administration. Mr. Bell was also a member of the Governor's transition team on personnel. (7/7/97 transcript, page 40,41).
9. Mr. Bell testified that he was concerned that his firm would be on the hook for \$197,000 worth of compensation and \$900,000 worth of work. (7/7/93 transcript, page 14)

Ongoing Administration of the Contract

The Bureau has significant concerns about what the Commonwealth received for its money. The proposal that was acted upon and selected by EOTC was not the proposal the Commonwealth actually received. Not only was the principal subcontractor eliminated after a failure to come to terms, but the project manager apparently left the project shortly after the commencement of the study.

The Bureau noted the following:

1. Despite the fact that BAI was the principal subcontractor, BAI was unable to come to terms with D.J. Miller and was dropped from the project.
2. Clara Axam who was designated as Project Manager and slated for 920 hours of direct time according to the proposal left the project in the early stages. Mr. Parra testified; "[she] hasn't been part of this project since the beginning." (10/26/93 transcript, page 54).
3. According to Lorenzo Parra, the State Project Manager, Bam Habib of D.J. Miller and Associates who was listed for 700 hours; "That particular individual may have been doing some research that would occur outside of the Executive Office or outside the Transportation Building." (10/26/93 transcript, page 55). The Bureau's review of the billing as of 8/31/93 indicated no billings for Mr. Habib's time to that point. He did appear in later billings.

4. John Gilbert who was listed for 1,150 hours was involved in the Atlanta Office. (10/26/93 transcript, page 56). A review of the billings to 8/31/93 indicated no billings for his time to that point despite the fact that over two thirds of the original budget had been used up.
5. According to Mr. Parra the project manager for EOTC, Bell Associates proposed work load of 2,352 hours was absorbed by D.J. Miller. According to Parra, the work that D.J. Miller was supposed to do was then referred to other subcontractors. Parra identified Dr. James Jennings at University of Massachusetts at Boston, Jane Edmonds Associates, and the Minority Business Enterprise Legal Defense and Education Fund, as being retained to do work. (10/26/93 transcript, page 56).
None of these entities were listed in the project as originally proposed and selected.
6. D.J. Miller hired college students to do some of the data collection. The college students: "were students who resided in the local area, but who may have gone to school outside the area...." (10/26/93 transcript, page 60).
7. The billings received from EOTC indicated work performed by a number of people who were never identified to EOTC as part of the proposal.

The evidence compiled by the Bureau suggests that BAI's extensive roots in the community, coupled with political ties to the Administration made them particularly attractive to D.J. Miller. Once D.J. Miller received the contract however, BAI's attractiveness apparently diminished. By removing BAI from the picture, D.J. Miller also apparently had the potential to increase its own profitability with regard to the contract.

What the Commonwealth contracted for was completely different from what it received. The principal subcontractor who was to be charged with the task of data collection and development of substantial portions of the first phase was never retained. The original project manager for D.J. Miller left the project shortly after it commenced. At least three new subcontractors were retained to do work previously slated for D.J. Miller. D.J. Miller in turn, assumed the work that BAI was supposed to perform. All of these factors lead to the conclusion that the ongoing planning and oversight of the contract was deficient. Some of the contract materials reviewed by the Bureau give evidence of crisis management rather than adherence to the well developed agenda that was laid out in the original proposal.

The Bureau is also troubled by the actual structure of the contract. Not only is the Commonwealth paying hefty fees, (up to \$60/hour for the consultants) but in actuality, the consultants hired

college students to do some of the actual data collection work. Add to this the fact that the contract proposed by D.J. Miller called for more than 4,600 hours of state employees time (to be provided free of charge) and you have all the ingredients of a bad deal for the Commonwealth.

In addition, a review of the contract documents provided to the Bureau indicated the following:

1. As of 7/2/93, 56.2% of the budget had been expended, yet 84.1% of the travel budget had been expended. Vouchers and other financial records provided to the Committee indicated that 79% of the budget for direct labor had been expended. Yet according to the progress report for the period June 1st through June 30th, the contractor was 40% completed on task 2, 45% on task 7, and yet to begin tasks 5 and 6.

The progress report and revised timetable dated July 30, 1993 indicated the following:

1. Data collection from MHD files incomplete.
2. MBTA 60 contracts missing from files - MBTA contract file did not contain specific race or ethnic status for MWBE subs.
3. MTA - no data collection professional services.

4. The final report section had a projected timetable with a draft available on November 1, 1993, a second draft available on December 15, 1993, and a final presentation to Oversight Committee on January 1, 1994.

Correspondence reviewed by the Bureau also indicated other problems in the course of the actual conduct of the study. Both the MTA and MassPort indicated concerns and problems during the data collection phase. (See letters, Exhibit #2) The November 17, 1993 Progress Report indicated that more work needed to be done and that the calculation of availability of MWBE's and utilization analysis finally appeared to be underway.

These statements indicate that as of November 17, 1993 significant work remained to be completed to meet deadlines articulated in earlier project progress reports. As the billings received on August 26, 1993 indicate, the total amount of expenditures were listed as follows:

Direct Labor:	\$164,403
Travel:	\$ 38,846
Other Direct Costs:	\$ 1,558
Subs:	\$ 68,540
General Ad:	\$131,521
Fee:	<u>\$ 47,361</u>
TOTAL:	\$452,229

Documents provided to the Bureau on December 3, 1993 in response to a subpoena issued indicated that on November 8, 1993, the contract

was amended. The stated reason for the amendment was to change the funding sources for the balance of the contract activity. The amount listed on the amendment is \$237,651.

The Bureau was concerned about continued changes in the structure of the contract at a very late date in the process. Both documentation received from EOTC and confirmation by sources in Tampa indicated that as of December 1, 1993, EOTC was still in the process of trying to determine whether public hearings would be necessary. These facts raised further concerns about the content and the completion date of the final report.

The Bureau notes the following comparisons:

	<u>Budget as Proposed</u>	<u>Billings as of 10/7/93</u>	<u>Revised budget 12/1/93 submission</u>
Direct Labor:	\$143,516	\$164,403	\$275,865
Travel:	\$ 34,308	\$ 38,846	\$ 59,799
Other Direct Costs:	\$ 9,480	\$ 1,558	\$ 9,480
Subs:	\$234,108	\$ 68,540	\$101,361
General Ad:	\$114,812	\$131,521	\$220,692
Fee:	<u>\$ 62,739</u>	<u>\$ 47,361</u>	<u>\$ 75,924</u>
TOTAL:	\$598,963	\$452,229	\$743,121

As can be seen from the above comparison, D.J. Miller may well receive substantially more in terms of fees and other reimbursements than it would have under the original proposal. With more than two months billings yet to be submitted as of the date of this report, the contractor had already exceeded the travel budget by \$11,766 and their administrative budget by \$15,118. The contractor's proposed modification would increase the total budget by 24% including a 74% increase in the travel budget.

In addition, included in the direct labor costs is administrative support salaries. The Bureau questions whether some of the charges for administrative are really more appropriately labeled under the fee section. The Bureau notes that the contract provided: "It is expressly understood that the maximum payment amounts established for general and administrative costs have been calculated on the basis of a general and administrative additive of 30%." The maximum amount of general and administrative costs to be paid was \$114,312. These items provide more evidence that what the Commonwealth received was substantially different from what it was told it would receive.

The Bureau also notes that it reviewed expenditures for another individual, Tony Axam, who was paid for at least 140 hours of work out of Washington, D.C. These expenses appear to be for someone other than Clara Axam, the original project manager. The Bureau is concerned this new person was never identified on the earlier proposal or any of the other documents reviewed. (See Exhibit #3).

The Bureau also noted some questionable billings. For instance, a time and attendance report for the period July 27 - 30, 1993 for Sheila Hayley listed a 24 hour work day for Wednesday followed by a 22 hour work day for Thursday of that same week. There was also no approval for those hours on the copy of the form received by the Bureau. Some of the time sheets reviewed also listed overtime billings on the part of some of the researchers.

The Bureau also noted billings for several phone calls to Bell Associates, Inc. during August and September of 1993. Given that BAI and D.J. Miller ceased contract negotiations in March, 1993 the Bureau found these calls curious indeed.

The Committee issued a final subpoena for all materials related to this contract on February 1, 1994. The subpoena was due on February 10, 1994. On February 24, 1994, a letter was received from EOTC indicating materials would be made available. Finally, after several phone calls to EOTC, responsive documents were provided to the Bureau on March 15, 1994. Those documents indicate billings through 10/31/93 of \$652,487. This amount represents an overrun of \$53,524. In addition, a December 1, 1993 letter to Joseph Connolly, Director of Financial Affairs (See Exhibit 4) proposed a modification to the contract increasing the total cost to \$743,121, which would represent, according to the company's own figures, a 24% increase in price. These proposals are very troubling, yet at the same time are not surprising given the repeated revisions and restructuring that took place throughout this contract. The Bureau's concerns that were articulated throughout this process have been borne out by these submissions. The Bureau has serious questions about these issues, as well as the potential for a cost overrun of \$144,000.

During the period between the due date for the Committee's last subpoena (February 10, 1994) and the receipt of the documents (March

15, 1994), the final Disparity Study report was issued. The Bureau makes no comments as to the content or quality of that submission. The Bureau's sixteen (16) month review of this contract was limited to the design, drafting, oversight and performance of EOTC relating to this procurement.

Conclusion

EOTC's performance on the selection process and administration of this contract was poor. The members of the selection committee had no significant prior experience or expertise in this important area nor had they been involved in prior procurements. The Bureau's audit found multiple problems with virtually every phase of the process. The contract management and oversight provided by EOTC did not measure up to the standards that a project of this significance requires. The Bureau found that the structure of the project that was proposed to EOTC and was ultimately approved, was completely different from what was received. It remains to be seen whether the final disparity study report that is to result from this process will meet the needs of the Commonwealth. As recent news reports have shown, the legal mandate that requires a strong and meaningful minority and women business contracting program is being undermined on a fairly routine basis. It is critical that EOTC and other state agencies give maximum priority and oversight to providing defensible and justifiable MBE-WBE programs.

The Bureau found EOTC's failure to meet projected timelines and the contractor's cost overruns on this contract to be very troubling. As of the date of this report, it is not clear what the outcome of these financial issues will be. The constant changes and restructuring that occurred throughout this study reflect badly on EOTC's development and oversight of this project.

Secretary of State

EXHIBIT #1

Business Services and Regulation

Suite 315, West Tower

2 Martin Luther King Jr. Dr.

Atlanta, Georgia 30334-1530

DOCKET NUMBER : 930920050
CONTROL NUMBER: 8700449
DATE INC/AUTH : 10/20/86
JURISDICTION : GEORGIA
DATE DISSOLVED: 01/09/92
PRINT DATE : 04/02/93
FORM NUMBER : 219

REQUESTED BY:

JOE CAVANAUGH

COMMITTEE ON POST AUDIT & OVERSIGHT

ROOM 70, STATE HOUSE

BOSTON, MA 02133

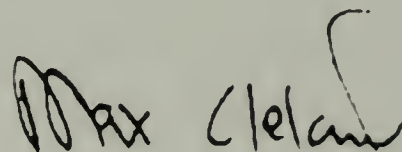
CERTIFICATE OF FACT

I, MAX CLELAND, Secretary of State and Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

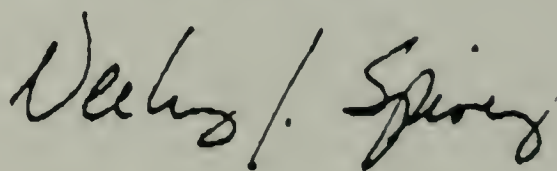
"D.J. MILLER & ASSOCIATES, INC."

was mailed a notice in accordance with Title 14 of the Official Code of Georgia Annotated and was involuntarily or administratively dissolved or revoked by the Office of Secretary of State on the date stated above for failure to file its annual registration.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence of the existence or nonexistence of the facts stated herein.



MAX CLELAND
SECRETARY OF STATE



VERLEY J. SPIVEY
DEPUTY SECRETARY OF STATE



D.J. Miller & Associates

August 31, 1993

Mr. Lorenzo Parra
Civil Rights Officer
Executive Office of Transportation
and Construction
10 Park Plaza, Room 3510
Boston, Massachusetts 02116

By FAX and US Mail

Dear Lorenzo:

I received a copy of Gary Cunningham's letter to you dated August 16. I appreciate his candor in addressing his concerns to you. While we disagree with his portrayal of the events he mentioned in the letter, we believe that his commitment to the Study will continue to be professional and supportive.

DJMA regrets that misunderstandings about the level of cooperation offered by Mass. Turnpike, and by Gary as MTA's Study representative were generated by the report. DJMA values the working relationship established with MTA, as well as with the other five Phase I agencies. DJMA gratefully acknowledges the renewed sense of commitment articulated by the Phase I agencies to the successful completion of the Disparity Study.

However, we at DJMA take exception with much of his August 16 letter, which misrepresents a number of facts and creates doubts where none should exist. I agree that DJMA's description of the status of data collection for MTA's general procurement purchasing (in the report entitled, "Revised Timetable for Completion" dated July 30, 1993) was open to different interpretations, and left the impression of a lack of cooperation on the part of MTA. That was not our intent.

In hindsight each of us no doubt recognizes areas where our performance could have been better. However, as we wrap up the Study, the most productive course of action will be for all of us to bring the Study to a successful conclusion. I feel certain we can count on Gary's continued support.

Sincerely,



Keith I. Hinch
D. J. Miller & Associates, Inc.

cc: Ms. Mary Fernandes
Ms. Bettye Freeman
Mr. Gary Cunningham

D.J. Miller & Associates

September 8, 1993

Mr. Gary L. Cunningham
Massachusetts Turnpike Authority
State Transportation Building
10 Park Plaza, Suite 5170
Boston, MA 02116

RE: Letter of September 3, 1993

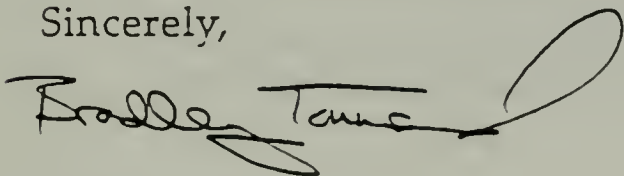
Dear Gary,

Thank you for your letter of September 3, 1993. Clearly we have different perspectives on data collection for disparity studies. Our experience is extensive and recognizes the difficulty of the process which, unfortunately, can be construed to be critical of the agencies from which we collect data. We respectfully point out that your concerns about data collection reflect a very narrow perspective and in any event do not have the benefit of the knowledge of the many issues, areas and incredibly thorough efforts on many fronts that have been undertaken for the Massachusetts effort.

Gaps always exist in data collection, through no fault of your staff nor ours; simply that is the process, namely, to fill those holes. No question that "haphazard, shoddy and careless data collection could have a detrimental impact upon the final results." Happily, such will not be the case because of the extraordinary efforts of D. J. Miller & Associates, Inc. and the virtual army of 12 individuals hired from Boston, all with college degrees, who have diligently collected data for 14 weeks under my direction and that of Keith Hinch.

Thank you for your efforts in completing the Summary Letter and requested information.

Sincerely,



Bradley Townsend
D. J. Miller & Associates, Inc.

cc: Lorenzo Parra

D.J. Miller & Associates

September 8, 1993

Mr. Lorenzo Parra
Civil Rights Officer
Executive Office of Transportation and Construction
10 Park Plaza, Room 3170
Boston, Massachusetts 02116

RE: Gary Cunningham's letter date September 3, 1993

Dear Mr. Parra;

This letter is in regards to Mr. Gary Cunningham's letter dated September 3, 1993. I have discussed Mr. Cunningham's concerns with D.J. Miller management and I want to highlight DJMA's data collection process as it relates to each Phase I agency.

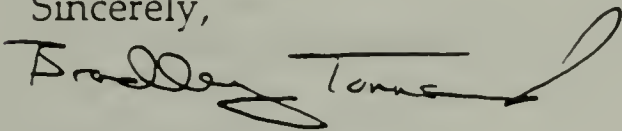
- As we have discussed, our contract data collection efforts culminated in a letter summarizing missing data (Summary Letter). Once our data collection from contract files was completed, any data gaps were documented, categorized and put in summary form for submission to MTA and the other Phase I agencies, with a request for assistance to identify the missing data. This was done because of the agencies' familiarity with their respective contract files and storage facilities.
- DJMA worked with MTA staff to secure proper contract data (i.e. contract numbers, award years) during the data gathering process. We believe the data obtained thus far to be accurate.
- Once the Summary Letter was sent to the respective agencies, I conducted meetings with each agency to explain in detail the remaining data requirements. The Summary Letter explained in general terms the purpose of the data request; however, each meeting was meant to explain the specifics of the request.
- I gave further assistance to MTA personnel over several days while they were obtaining the needed information. Questions regarding particular contracts were answered to quicken MTA's response to the Summary Letter.

DJMA is satisfied with the exhaustive contract data collection effort that was conducted over the past two months. The amount of information gathered is a sufficient basis for further statistical analysis.

Mr. Lorenzo Parra
September 8, 1993
Page 2

I hope this letter alleviates any concerns raised by Mr. Cunningham's letter. If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bradley Townsend". The signature is fluid and cursive, with a large loop at the end of the last name.

Bradley Townsend
D.J. Miller & Associates, Inc.

D.J. Miller & Associates

September 16, 1993

Mr. Lorenzo Parra
Civil Rights Officer
Executive Office of Transportation
and Construction
10 Park Plaza, Room 3510
Boston, Massachusetts 02116

Dear Lorenzo:

I received a copy of Robin McCullum's memorandum to you dated August 17. I appreciate her candor in addressing her concerns to you. While we disagree with her understanding of the events she mentioned in the memo, we believe that her commitment to the Study will continue to be professional and supportive. I acknowledge that the description of data collection efforts at MassPort in the Revised Timetable for Completion may have left the impression of no cooperation on the part of the MassPort. It was not our intent to dwell on difficulties to the exclusion of the positive efforts of the agency during this process.

It is apparent that there were misunderstandings regarding the data collection effort at MassPort, which were regrettable but have since then been resolved. I trust this letter will clarify concerns about the level of cooperation provided that resulted from these misunderstandings. DJMA values the working relationship established with MassPort, as well as with the other five Phase I agencies. DJMA gratefully acknowledges the renewed sense of commitment, articulated by the Phase I agencies, to the successful completion of the Disparity Study.

In regard to Robin's memorandum of May 26 (Comments on Data Collection Plan of Action), I believe most, if not all, of her concerns in that memo were addressed in a meeting I held with her on June 15.

The statistical section of the data collection plan outlined the rationale for determining if a census or a sample of contracts must be collected. The rationale essentially rests on how close our totals of award dollars come to totals reported to EOTC. If there is less than a five percent discrepancy, we are satisfied that our collected data faithfully reflects previous reports; this gives us confidence in the reasonableness of the data. If the discrepancy is more than five percent, we try to account for the difference (contracts we missed, data input errors, and the like). If we cannot find reasonable explanations for the errors, we then base subsequent analyses on our totals (with appropriate statements qualifying the results of the analyses).

Our data collection methods were designed to separate A/E contracts from other professional services contracts. Our methods were flexible enough to reflect agency-specific differences in the kinds of data kept in files, in particular subcontracting. Whether there is substantial subcontracting in design projects or not, our data capture will reflect that.

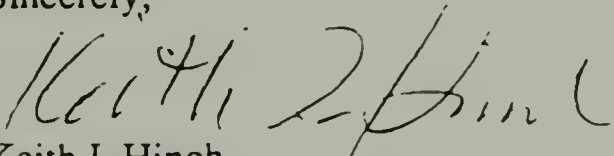
Our estimate of the number of data collectors required was a dynamic one based on the need to be flexible and to fit into multiple agency schedules. Where the need is indicated, we may assign as few as three or as many as six data collectors to a site, taking advantage of opportunities to finish early at one agency (if another agency is not able to adhere to an agreed-on schedule). Since it is impossible to be assured that a preliminary schedule will actually be implemented, both we and the client must develop an understanding that changes in the data collection schedule may be inevitable. We try to be as responsive as possible to agency concerns about timetables.

Mr. Lorenzo Parra
September 16, 1993
Page 2

All of our data collectors had appropriate supervision. The current engagement is a multiple-agency engagement, requiring nimble management of data collection teams. Team supervisors were not always present (since it was not necessary) but were always available to respond to agency concerns and to ensure high quality data collection. The data collection process is necessarily invasive and agency staffs are understandably concerned about security of their files and temporary disruption of office routines. We tried to get in and get out as quickly as possible.

In hindsight each of us no doubt recognizes areas where our performance could have been better. However, as we wrap up the Study, the most productive course of action will be for all of us to bring the Study to a successful conclusion. I feel certain that we can count on Robin's continued support.

Sincerely,



Keith I. Hinch
D. J. Miller & Associates, Inc.

cc: Ms. Mary Fernandes
Ms. Bettye Freeman
Ms. Robin McCullum

SUBJIOIAL. MARGEABLE HOURS

10111 DAY

VACATION

SICK LEAVE

CHILD LEAVE

18 A MARKETING

ADMINISTRATIVE

SUBTOTAL OTHER HOURS

TOTAL ALL HOURS

Employee Number 259478304

Approval

Period Ending

JOB NO.	TOTAL HOURS	SAT	FRI	THURS	WED	TUES	MON	SUN
			8/6	8/5	8/4	8/3	8/2	
			8	8	8	8	8	
	80		8	8	8	8	8	

TIME AND ATTENDANCE REPORT

TIME AND ATTENDANCE		DAY		MON		TUES		WED		THURS		FRI		SAT		SUN		MON		TUES		WED		THURS		FRI		SAT		TOTAL HOURS		JOB NO.					
DATE		SUN		8/9		8/10		8/11		8/12		8/13						8/16		8/17		8/18		8/19		8/20											
PROJECT DESCRIPTION BOSTON DISPARITY STUDY - DJMA																																					
SUBTOTAL CHANGEABLE HOURS 8																																					
OTHER HOURS																																					
HOLIDAY																																					
VACATION																																					
SICK LEAVE																																					
OTHER LEAVE																																					
S & A MARKETING																																					
S & A ADMINISTRATIVE																																					
SUBTOTAL OTHER HOURS																																					
TOTAL ALL HOURS 8 8 8 8 8 8 8 4 1 1 60																																					
Employee Name: Tony Axam Jr.																																					
Employee Number: 259418504																																					
Signature: Tony Axam Jr.																																					
Approval																																					
Period Ending																																					

TIME AND ATTENDANCE		DAY	SUN	MON	TUES	WED	THURS	FRI	SAT	SUN	MON	TUES	WED	THURS	FRI	SAT	TOTAL HOURS	JOB NO.
PROJECT DESCRIPTION																		
BOSTON, MASS																		
DISPARITY STUDY																		
ANECODOTAL INTERVIEWS																		
INTERVIEW SCHEDULE																		
+AG																		
SUBTOTAL																		
CHARGEABLE HOURS																		
OTHER HOURS																		
HOLIDAY																		
VACATION																		
SICK LEAVE																		
OTHER LEAVE																		
G & A MARKETING																		
G & A ADMINISTRATIVE																		
SUBTOTAL OTHER HOURS																		
TOTAL ALL HOURS																		
Employee Name Sheila																		
Sheila Hayley																		
Employee Number																		
Signature																		
Approval																		
Period Ending																		

D.J. Miller & Associates

December 1, 1993

Mr. Joseph Connolly
Director of Financial Affairs
Executive Office of Transportation
and Construction
10 Park Plaza
Boston, Massachusetts 02116

Dear Mr. Connolly:

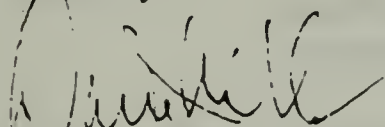
Enclosed is a proposed budget modification for the Phase I Disparity Study for consideration and approval by the Executive Office of Transportation and Construction for the Commonwealth of Massachusetts. The new budget shows an increase in bottom-line costs to EOTC since a major component of the work completed went well beyond what was estimated in the Scope of Services. Specifically, Task #2 of the Scope of Work, Contract Data Collection, required more time, effort and on-site presence at the Phase I agencies than was projected and budgeted. As you know this is a critical task which required the effort expended.

Developing accurate budget estimates of the nature required for data gathering in a disparity study is especially difficult. While EOTC provided an extremely detailed RFP, we have little doubt that EOTC could not have been aware of the nature of its contract data and how its retrieval would drive the implementation of the project and impact the project budget so heavily. In summary the job was larger than could reasonably have been anticipated.

The proposed budget increase has been allocated to Task #2, Contract Data Collection, Tasks #3, #5 and #6, which form the major components of the statistical analysis that results from Task #2, and Tasks #10 and #11, Meetings/Reports and Presentation, respectively. This proposed budget adjustment reflects: (a) additional costs incurred in completing contract data collection; (b) additional costs incurred in properly preparing the resulting database, which is larger than expected; and (c) additional travel costs incurred in the implementation of project tasks.

These adjustments to the budget remain consistent with the methodology detailed in our proposal and in the Scope of Services to EOTC. I look forward to discussing this budget with you at your earliest convenience.

Sincerely,



Dave J. Miller
D. J. Miller & Associates, Inc.

Enclosures

JUSTIFICATION FOR BUDGET MODIFICATION

Planned and Actual Personnel Workloads

The proposed budget modification for the Phase I Disparity Study is being submitted for consideration and approval by the Executive Office of Transportation and Construction. As of November 29, 1993 a total of 9,395.75 hours has been devoted to the Disparity Study by DJMA. This compares with an estimated total of 8,596 hours presented in the original project proposal submitted to EOTC. Our best estimate of direct labor hours needed to complete the Study is 632 hours, for a project total of 10,027.75 hours.

The reason for the additional hours required to finish the Study was Task #2, Contract Data Collection, which required almost 40 percent more hours than we had originally budgeted. Moreover, the extension in hours also required much more on-site presence, thus increasing the amount of travel necessary to complete the task.

Available information provided by EOTC in the Request for Proposals, as well as DJMA's prior experience in conducting Disparity Studies for public entities, indicated that our original time and budget allocation to Task #2 would be sufficient. Nevertheless, prior information did not provide enough detail about administrative arrangements for contracting, the location of and condition of records, the number of sites containing files, and the total volume of contracts to allow a more accurate estimate of time and effort for contract data collection.

DJMA's original estimate of time for contract data collection was 2,081 hours. Actual total hours numbered 2,880.75 (including the management time of DJMA staff). The original estimate was based on prior engagements with public agencies. There were three working assumptions DJMA used to generate its initial estimate of direct labor needed for contract data collection:

1. estimates of direct labor hours assumed contracts per agency over a 10 year period would average 200 contracts annually for construction, A/E, professional services and procurement, as well as a maximum of 5,000 purchase orders (POs) per agency annually;
2. estimates were also based on the assumption of substantial centralization of records--in effect, one large storage site per agency;
3. estimates assumed substantial centralization of procurement among all the agencies, rather than decentralized authority in various departments to make procurement decisions.

In contrast, the total contract volume generated by the six agencies was far more than assumed in (1) above. Mass. Highway Department alone awarded an yearly average of 350 contracts in construction. MBTA generated 24,000 POs annually, while MassPort generated 10,000 POs per year.

Record storage was quite decentralized. Rather than six sites as assumed in the proposal, eleven additional sites were identified. After the data collection effort began six more sites were identified, requiring an additional allocation of direct labor to complete data collection. With respect to (3) above, we encountered instances where we had to contact several departments within agencies in order to carry out the task or develop contract logs. Table 1 summarizes the failure of assumptions on which were based the initial time estimates for data collection.

Failure of Assumptions Described in the Proposal

In the original project proposal submitted to EOTC by DJMA, five assumptions were established as being integral to the carrying out of the work program. The five assumptions are:

1. it is assumed that the contracting departments within the Commonwealth agencies have the contract data available through the Public Works and Purchasing Departments including but not limited to contract type and dollar value; other contract information such as number of bidders, and level of MWBE participation by awardee, race/national origin and gender; dollar amount by contract award; and awarding criteria; **and that these data are retrievable and verifiable within a reasonable period of time and with reasonable effort;**
2. **it is assumed that contract records generated within each Commonwealth agency will have a common enough base and point of reference to allow reasonable ease of integration;**
3. it is assumed that the Commonwealth agencies will assist D. J. Miller & Associates in acquiring the cooperation of the private sector and other public agencies in providing individual business and contract information reflecting total dollar values and the utilization of MWBEs in contract awards;
4. it is assumed that the definitions provided in the RFP do not artificially restrict the useful presentation of available, valid data, or limit generally acceptable research methodology, and that the research methods set forth as minimum requirements in the RFP are feasible and useful for the purposes for which they are intended;
5. it is assumed that sufficient staff hours will be allocated by the Commonwealth to meet the needs of the project schedule and that any adjustment to staff hour schedules will be mutually agreed upon between DJMA and the Commonwealth.

The implementation of Task #2, Contract Data Collection, was founded on the validity of the above assumptions. Since data collection required substantially more time and effort, our assessment is that Assumptions #1 and #2 were not validated sufficiently to

allow adherence to original budget and schedule estimates. There was little commonality among agencies with respect to contract documentation, contract numbering schemes, bidder tabulations, race/ethnicity identification, subcontractor identification, and supporting correspondence. Thus collection procedures developed for efficient data capture in one agency did not work well when transferred to other agencies. Reporting and documentation practices also changed over time.

Table 2 presents factors affecting time to completion of data collection at each agency. These factors are the basis of the failure of Assumptions #1 and #2.

In responding to the extra time required to complete Task #2 properly, DJMA worked diligently to cut costs elsewhere in the project budget:

1. DJMA was able to decrease somewhat the number of hours necessary to complete other tasks in the project;
2. since travel was a major expense during the project, DJMA developed a creative approach to booking air travel, in particular using "back-to-back" ticketing to take advantage of restricted air fares that would normally required a Saturday night layover;
3. student interns were used at favorable hourly rates, allowing the completion of the contract data collection phase of the project. Nevertheless, the actual volume of data to be recorded required a larger data collection team in order to complete acquisition of data within a schedule that would still allow timely project completion.

The proposed budget modification by task, attached, shows increases allocated to: (1) Task #2; (2) Tasks #3, #5 and #6, the major components of the statistical analysis; and (3) Tasks #10 and #11, Meetings/Reports and Presentation, respectively. As is shown on that budget sheet, 88 percent of the proposed increase is allocated to Task #2. Compared to the original budget total, the proposed Task #2 increase amounts to 21 percent of the original total budget, while the proposed increases in the other tasks, in the aggregate, are less than 3 percent of the original budget.

Table 1

**Failure Of Assumptions
Used To Determine Initial Estimate Of Labor Time
For Contract Data Collection**

Agency & Sites	Lower Volume of Contracts	Centralization of Record Storage	Centralization of Procurement
EOTC			X
MAC			X
MassPort	X	X	X
MTA	X	X	
MHD	X		
MBTA	X	X	X

Lower Volume of Contracts: Estimate assumed an average of 200 contracts per agency per year.

Centralization of Record Storage: Estimate assumed one record storage site per agency.

Centralization of Procurement: Estimate assumed greater centralization of procurement function.

Table 2

Factors Affecting Time To Completion Of Data Collection

Agency & Sites	Location	Access to Records	Restriction on working hours	No log/Log constructed	More records than expected
EOTC					
Upper Garage			X	X	
3rd Flr.				X	
MAC					
7th Flr.				X	
Logan Airport				X	X
MassPort					
All Safe		X	X	X	
Eng. Dept.	X	X	X	X	
Contr. Admin.				X	X
Legal Dept.	X			X	X
MTA					
Weston (A)					
Weston (B)					
Callahan Tunnel			X	X	X
5th Flr.		X		X	
MHD					
Cohasset			X	X	
7th Flr.			X	X	X
MBTA					
Quincy	X				
Charlestown					
Upper Garage (Eng.)	X		X		
Upper Garage (Materials)			X	X	X
5th Flr.					X
100 Boylston					
2nd Flr.				X	
Everett	X		X	X	X
8th Flr.	X	X			

Location: 6 sites were assumed in the proposal, 11 sites were assessed and accounted for in the data collection plans. Entries in Location column indicate sites discovered after data collection began.

Access to Records: Unusual restrictions on access to contract files.

Restrictions on Working Hours: Restricted access to contract files to less than 8 hours per day.

No log/log constructed: No contract log or a log had to be developed from other records in order to locate and record contract data.

BUDGET USE by TASK
EOTC

TOTALS	TASK 1	TASK 2	TASK 3	TASK 4	TASK 5	TASK 6	TASK 7	TASK 8	TASK 9	TASK 10	TASK 11	TOTAL
TOTAL DOLLARS	72,485	155,337	17,219	36,777	33,047	18,420	32,333	94,416	12,901	108,168	17,860	598,900
BILL.#1-01/31/93	39,225	88	495	782	699	513	647	980	258	623	379	44,600
BILL.#1-02/28/93	28,929	21,748	2,601	2,543	1,921	1,668	2,102	3,186	581	2,530	0	67,800
BILL.#3-03-31-93	1,146	19,938	2,674	13,063	1,986	1,528	21,924	7,257	3,285	3,590	0	76,300
BILL.#4-04-30-93	1,535	14,351	1,605	1,000	1,070	535	7,659	7,269	3,000	15,482	0	53,500
BILL.#5-05-31-93	1,646	5,562	2,002	445	2,002	0	0	4,004	1,780	27,053	0	44,400
BILL.#6-06-30-93	0	36,955	1,391	7,162	904	0	0	9,248	973	11,612	0	68,200
BILL.#7-07-31-93	0	45,458	3,546	2,000	1,818	1,636	0	16,365	1,000	19,093	0	90,900
BILL.#8-08-31-93	0	5614	1203	4812	12029	4010	0	40096	1203	9623	1604	80,100
BILL.#9-09-30-93	4	5600	1500	4870	10450	8250	0	5900	700	18100	11762	67,100
BILL.#10-10-31-93	0	69	202	100	168	280	0	111	121	462	4071	5,500
BILL.#11-11-30-93												
BILL.#12-12-31-93												
TOTALS	72,485	155,382	17,219	36,777	33,047	18,420	32,333	94,416	12,901	108,168	17,816	598,900
Modification	0	126,455	3,000	0	3,000	6,703	0	0	0	4,000	1,000	144,100
New Budget	72,485	281,837	20,219	36,777	36,047	25,123	32,333	94,416	12,901	112,168	18,816	743,100

D. J. MILLER & ASSOCIATES
 600 West Peachtree St. Suite 1550
 Atlanta, Georgia 30308

MASS PROJECT AS OF INVOICE #9
 SUMMARY OF BILLING VS. BUDGET

COST CATEGORY	BUDGETED AMOUNT	BILLING # 1	BILLING # 2	BILLING # 3	BILLING # 4	BILLING # 5	BILLING # 6	BILLING # 7	BILLING # 8	BILLING # 9	AMOUNT BILLED TO DATE	BUDGET VARIANCE
DIRECT LABOR:	217,264	20,358	25,090	22,250	18,998	19,409	16,578	34,219	40,869	38,391	236,161	(18,897)
GENERAL & ADMINISTRATIVE	173,811	16,286	20,072	17,800	15,198	15,527	13,262	27,375	21,495	19,513	166,527	7,284
OTHER DIRECT COSTS												
PRINTING/REPRODUCTION	2,520	0	0	0	0	0	0	52	0	38	90	2,430
COMPUTER	3,600	0	0	0	0	0	0	0	0	0	0	3,600
TELEPHONE/FAX	1,200	0	0	0	0	0	0	290	527	263	1,080	120
SUPPLIES	2,160	0	0	0	0	0	0	0	789	0	789	1,371
TOTAL ODC'S	9,480	0	0	0	0	0	0	342	1,316	301	1,959	7,521
TRAVEL												
LODGING	8,705	576	247	856	905	2,005	3,077	1,958	2,286	516	12,425	(3,720)
AIR	20,915	2,186	2,086	4,912	2,072	1,904	3,590	2,668	3,686	661	23,764	(2,849)
GROUND	1,958	85	88	231	392	594	945	927	1,490	284	5,036	(3,078)
PER DIEM	2,730	234	156	377	416	689	1,027	663	1,092	195	4,849	(2,119)
TOTAL TRAVEL	34,308	3,081	2,577	6,375	3,785	5,192	8,639	6,216	8,554	1,655	46,073	(11,765)
SUBCONTRACTORS	101,361	0	12,821	22,186	10,000	0	23,000	13,354	0	0	81,361	20,000
FEE	62,739	4,966	7,248	7,779	5,525	4,367	6,766	9,411	7,960	7,276	61,298	1,441
TOTAL COS	\$598,963	\$44,690	\$67,808	\$76,390	\$53,506	\$44,494	\$68,245	\$90,916	\$80,194	\$67,136	\$593,379	5,584

SUMMARY of TOTAL COST by LINE ITEM PHASE I
COMMONWEALTH of MASSACHUSETTS
10-13-93

	EXISTING	EXISTING OVER/RUN	MODIFICATION	NEW BUDGET
TOTAL DIRECT LABOR	\$217,264	\$18,897	\$39,704	\$275,865
TRAVEL				
Lodging	8,705	3720	373	12,798
Air	20,915	2849	12,800	36,564
Ground	1,958	3078	305	5,341
Per Diem	2,730	2119	247	5,096
TOTAL TRAVEL	34,308	11,766	13,725	59,799
OTHER DIRECT COSTS				
Printing/Reproduct.	2,520	0	0	2,520
Computer	3,600	0	0	3,600
Telephone/Fax	1,200	0	0	1,200
Supplies	2,160	0	0	2,160
TOTAL OTHER	9,480	0	0	9,480
SUBCONSULTANT				
Total Subconsultant	101,361	0	0	101,361
GENERAL & ADMINISTRATIVE				
TOTAL G & A	173,811	15,118	31,763	220,692
FIXED FEE OR PROFIT				
FEE	62,739	4,252	8,933	75,924
TOTAL PROPOSAL PRICE	\$598,963	\$50,032	\$94,126	743,121

SUMMARY of TOTAL COST by LINE ITEM PHASE I
COMMONWEALTH of MASSACHUSETTS
10-13-93

	EXISTING	MODIFICATION	NEW BUDGET	% CHANGE
TOTAL DIRECT LABOR	\$217,264	\$58,601	\$275,865	26.97%
TRAVEL				

Lodging	8,705	4,093	12,798	47.02%
Air	20,915	15,649	36,564	74.82%
Ground	1,958	3,383	5,341	172.78%
Per Diem	2,730	2,366	5,096	86.67%
	-----	-----	-----	-----
TOTAL TRAVEL	34,308	25,491	59,799	74.30%
	-----	-----	-----	-----
OTHER DIRECT COSTS				

Printing/Reproduct.	2,520	0	2,520	0.00%
Computer	3,600	0	3,600	0.00%
Telephone/Fax	1,200	0	1,200	0.00%
Supplies	2,160	0	2,160	0.00%
	-----	-----	-----	-----
TOTAL OTHER	9,480	0	9,480	0.00%
	-----	-----	-----	-----
SUBCONSULTANT				

Total Subconsultant	101,361	0	101,361	0.00%
	-----	-----	-----	-----
GENERAL & ADMINISTRATIVE				

TOTAL G & A	173,811	46,881	220,692	26.97%
	-----	-----	-----	-----
FIXED FEE OR PROFIT				

FEE	62,739	13,185	75,924	21.02%
	-----	-----	-----	-----
TOTAL PROPOSAL PRICE	\$598,963	\$144,158	\$743,121	24.07%
	=====	=====	=====	=====

